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FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

NOV 10 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Implementation of Section 309(j)  
of the Communications Act  
Competitive Bidding

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PP Docket No. 93-253

**COMMENTS OF TELOCATOR, THE PERSONAL  
COMMUNICATIONS INDUSTRY ASSOCIATION**

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November 10, 1993

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## SUMMARY

In this rulemaking, the FCC seeks comment on implementing the competitive bidding license selection procedures set forth in Section 309(j) of the Communications Act, as amended by the Budget Act of 1993. The NPRM tentatively concludes that the FCC should develop rules and policies in this proceeding "as to the appropriateness of particular types of auction procedures in various circumstances, and then choose from among the procedures as [the FCC] announce[s] individual auctions."<sup>1</sup> Consistent with this prudent tentative conclusion, Telocator has provided in its comments a number of universal principles for the conduct of auctions, suggestions on effectuating those goals for competitive bidding generally, and some specific proposals for the conduct of auctions for both new and existing services.

The success of competitive bidding is dependent upon achieving four basic goals:

- First, competitive bidding procedures must avoid uneconomic delay in licensing, since the public interest, the Budget Act, and telecommunications policy broadly support expeditious deployment of new radio services.
- Second, the procedures adopted for competitive bidding must be simple to minimize administrative burdens on both the FCC and applicants.
- Third, competitive bidding procedures must be structured rationally in order to ensure that auction participants have the best opportunities to make informed economic decisions.

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<sup>1</sup> NPRM at ¶ 19.

- Finally, competitive bidding, in accordance with Congressional mandate, should promote broad participation.

To realize these goals in competitive bidding generally, Telocator proposes adoption of the following measures:

- Auctions should be conducted orally, with ascending sequential bidding, and without market distorting schemes such as combinatorial overlays, anticollusion rules, or minimum bids.
- A regulatory framework should be adopted that eschews set-asides. Instead, regulatory provisions should encourage meaningful diversity in the ownership of licensees for new services.
- Application processing rules should be simple, yet ensure participation by only qualified, serious entities.
- Post-auction transferability of licenses among qualified entities should be allowed to correct any flaws in the spectrum assignment process.

The adoption of this basic framework for competitive bidding will ensure fair, diverse, and rapid licensing through auctions.

Telocator believes that the proposals outlined above--oral sequential ascending bidding, without set-asides or market distorting complications such as combinatorial bidding -- will provide sound results for the auctioning of 2 GHz broadband Personal Communications Service ("PCS") licenses both as a matter of economics and public policy. However, strict adherence to these policies in all cases and for all services may not comport with the overall regulatory framework advanced by Telocator. Accordingly, the Commission should have the flexibility to tailor competitive bidding procedures to specific services. For new 900

MHz PCS, simultaneous open bidding and standardized upfront fees may lend needed simplicity to what otherwise would be an excessively lengthy process given the number of licensing opportunities presented. For existing land mobile services, Telocator reminds the Commission of its Congressional requirement to continue seeking ways of avoiding mutual exclusivity, and therefore competitive bidding, to avoid delays in providing service to the public. By adopting these suggestions, Telocator believes the Commission will create a sound regulatory basis for competitive bidding of radio licenses in the public interest.

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**COMMENTS OF TELOCATOR, THE PERSONAL  
COMMUNICATIONS INDUSTRY ASSOCIATION**

Telocator, the Personal Communications Industry Association, herewith submits its comments in response to the above-captioned Notice of Proposed Rulemaking ("NPRM").<sup>1</sup> The NPRM seeks comment on implementation of Section 6002 of the Omnibus Budget Reconciliation Act of 1993 (the "Budget Act"),<sup>2</sup> which amends Section 309 of the Communications Act to authorize the use of competitive bidding to select from among applicants for certain radio services. As discussed below, Telocator advances a number of industry consensus positions regarding both the conduct of auctions in general and the specific application of competitive bidding procedures for new and existing services.

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<sup>1</sup> Implementation of Section 309(j) of the Communications Act Competitive Bidding, FCC 93-455 (Oct. 12, 1993).

<sup>2</sup> Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 6002, 107 Stat. 312 (1993).

**I. COMPETITIVE BIDDING PROCEDURES GENERALLY SHOULD BE  
RAPID, RATIONAL, ENSURE BROAD PARTICIPATION AND  
MINIMIZE ADMINISTRATIVE BURDENS**

To implement competitive bidding policies and procedures consistent with the Commission's public interest mandate, Telocator suggests the four following goals:

- Both the public interest and telecommunications policy demand that licenses be issued expeditiously, and therefore competitive bidding procedures should be designed to rapidly resolve licensing conflicts.
- The simplest possible competitive bidding mechanisms should be implemented consistent with the responsible exercise of the Commission's spectrum management duties. Overly burdensome and complex processes will create artificial barriers to entry and tax the resources of both the FCC and auction participants.
- The optimum economic outcome will be achieved by designing bidding mechanisms that allow participants to make informed, rational decisions. Processes that create uneconomic results will only result in service delays and unnecessary costs imposed upon subscribers.
- The Commission's auction procedures should ensure fair opportunities for all potential providers, whether large or small, existing or new, to compete for new spectrum. Procedures designed to further participation by statutorily designated parties should be tailored to provide meaningful opportunities to participate on a equal basis with all other entrants.

Telocator provides below some specific proposals to ensure that the Commission's general competitive bidding procedures and policies are consistent with this regulatory framework and provide a sound basis for licensing in the public interest.



**A. Oral Sequential Bidding for the Licensing of New Spectrum, Including Broadband PCS**

In furtherance of its goals of simplicity, speed, and aiding rational decisionmaking by auction participants, Telocator believes the auction process should be free of any unnecessary market distortions. In particular, Telocator supports the use of oral, sequential, ascending bidding for the licensing of new spectrum. Oral sequential bidding is the only model of auctions providing a uniform, comprehensible process that allows participants to make rational, informed decisions.

Oral bidding is the only mechanism that ensures that licenses are awarded to those that value them most highly, and provides clear information about who is bidding and the bid amount at all times during the auction process. Sealed bidding, in contrast, introduces uncertainties that inflate the value of spectrum because any participant valuing a particular market highly in such a process--perhaps because the applicant has existing facilities that could be used to provide low-cost service to the public--is forced to overbid by the greatest possible margin to ensure winning. Overvaluation of spectrum, however, decreases the financial resources available to rapidly deploy service to the public and may result in undercapitalized licensees who cannot survive in a competitive market.

Telocator's objections to sealed bidding extend even to those systems that are designed to compensate for the "winner's curse." For example, the use of sealed bidding processes that

require the winning bidder to pay only the highest losing bid, instead of making the bidding process more rational, introduce yet another layer of uncertainty and complexity into the process, further distorting market mechanisms.<sup>3</sup> The potential cost to the public of such measures is too great to justify anything other than open bids.

**B. Licenses Should Be Auctioned In Decreasing Order of Geographic Size**

In conducting oral sequential bidding, the largest geographic market divisions should be licensed first, followed by smaller license areas. By auctioning larger blocks first, participants will be able to pursue rational aggregation strategies if one or more bids for multi-market areas fail to succeed. Such measures also allow better financial resource management by licensees, as the most expensive purchase decisions will occur first.

**C. Minimum Bids, Combinatorial Bidding And Anticollusion Rules Are Unnecessary And Should Be Avoided**

Telocator also believes that minimum bids, anticollusion rules, and other measures proposed for auctions with only a few participants place artificial constraints on market processes and Telocator opposes any such suggestions. By definition, there

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<sup>3</sup> Under the circumstances, if sealed bidding is used in any particular licensing scenario, the winner should be required to pay the winning bid, not the highest losing bid or any other amount arbitrarily determined to compensate for overbidding.

must be at least two participants in any competitive bidding scenario.<sup>4</sup> These participants can, legitimately, seek pre-auction settlements that avoid mutual exclusivity, thus obtaining a license without any payment. If an auction is conducted at all, such arrangements have not been possible. The only means participating parties have of obtaining a license is increasing their bids to the maximum extent of their financial ability.

Special anticollusion rules are unwarranted in any event. The behavior and outcomes which the Commission seeks to prevent are more properly addressed by existing antitrust regulations.

Finally, Telocator opposes combinatorial bidding mechanisms as fundamentally unfair and irrational. Many auction participants will be pursuing aggregation strategies. Certain BTAs, for example, will be valuable to these bidders only in conjunction with one or two more MTAs won in earlier auctions. Combinatorial bidding creates the significant potential that they might ultimately lose those MTAs, and be left with only a commitment to pay for BTAs which are now far less valuable to them than the price bid. (Indeed, the license may have virtually no value to the auction "winner," in the absence of any aggregation opportunity with other licenses won and, subsequently revoked in favor of a combinatorial bidder.) The severity of this problem will be exacerbated by the probably prolonged period of time during which auctions will be conducted. An early

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<sup>4</sup> Absent two bidders, there would be no mutual exclusivity and no auction.

auction winner may only learn that his license has been revoked in favor of a combinatorial bidder many months after having made full auction payment and made substantial commitments of time, money and other resources to beginning to build their PCS system. Combinatorial bidding also raises the potential for time consuming and costly litigation as alleged valuation discrepancies are challenged and losses are claimed by auction winners whose licenses have subsequently been revoked.

Moreover, combinatorial bidding should not be allowed as a back-door reintroduction of national service areas in the licensing of broadband PCS. Telocator and others opposed national licenses in the broadband PCS allocation proceeding<sup>5</sup> because they would severely restrict entry opportunities, lessen competition in technical configurations and service arrangements, and potentially delay service introduction in broad areas of the country.<sup>6</sup> To the extent that there is any argument that national systems are the optimum means of providing radio services, such

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<sup>5</sup> See Comments and Reply Comments of Telocator in the Matter of Amendment of the Commission's Rules to Establish Personal Communications Services, GEN Docket No. 90-314 (filed Nov. 6, 1992 and Jan. 8, 1993 respectively).

<sup>6</sup> Indeed, if the Commission unwisely allows the reintroduction of national service areas through combinatorial bidding, it should--at a minimum--enforce construction requirements specifically tailored to ensure performance commensurate with a nationwide license. Specifically, if licenses for an aggregated area are won by a licensee through the mechanism of a combinatorial bid, failure to meet service, build out, or other obligations for any one of the individual licenses should result in forfeiture of all licenses awarded under the combinatorial bid.

systems are better achieved through market forces by allowing unrestricted transferability of licenses obtained in auctions.

**D. A Regulatory Framework For Statutorily Designated Entities That Encourages Meaningful Diversity and Facilitates the Introduction of New Services**

The Budget Act requires the Commission to increase opportunities for certain "designated entities," including rural telephone companies, small businesses, and businesses owned by women and minorities. Telocator offers below a number of means to encourage meaningful, long term participation by the designated entities, including the use of bidding preferences rather than strict set-asides.<sup>7</sup> In addition, in a separate section below, Telocator advances a proposal for defining "rural telephone companies," the only class of designated entities that are not delineated in the Budget Act.

**1. Measures to increase participation by designated entities should offer meaningful opportunities for long term involvement on an equal basis**

The FCC has proposed a number of ways of increasing participation by designated entities and has solicited comment on a variety of restrictions and policies governing participation in auctions as a designated entity. As discussed below, Telocator concurs with the use of tax certificates, bidding credits and installment payments for designated entities. Telocator objects,

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<sup>7</sup> Specific applicability of preferential bidding in the context of PCS is discussed infra at Section II A.

however, to set-asides which will lead to market distortions and do nothing to assist designated entities in building viable businesses, once a license has been won. Instead, Telocator advocates adoption of alternative mechanisms for ensuring long term, meaningful participation by designated entities. Telocator also suggests adopting a 51% ownership minimum for qualifying as a designated entity.

To implement Congress' mandate to "disseminate licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women," the NPRM proposes the use of set-asides, installment payment programs, and tax certificates for eligible designated parties. Telocator supports the use of tax certificates and installment payments, since these policies achieve the desired end of encouraging long term, meaningful participation by designated entities without introducing market distortions. Because the Small Business Administration has identified capital formation as a primary entry barrier for the designated groups, installment payment options, in particular, expand the range of entities that can find market opportunities in new radio services.

Telocator does not support, however, set-asides for designated parties.<sup>8</sup> Set-asides where only designated entities

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<sup>8</sup> It should be noted that set-asides, originally a part of the Senate-passed version of auction legislation, were eschewed by the conference committee in favor of more pro-active measures, such as alternative payment plans.

are eligible to participate detract from the competitive market instead of adding to it--especially in cases like 2 GHz broadband PCS where only a limited number of licenses are available. Instead, Telocator proposes allowing all eligible designated entities a credit in bidding for specified licenses. In other words, in addition to the other incentives to participate, the bids of designated entities would be adjusted to count as a fixed percent higher than the actual amount the entity would be required to pay. Telocator believes that such a preference would significantly increase opportunities for participation on an equal basis with other licensees and without distorting competition in services.

In order to administer these preferential licensing policies, the Commission should adopt a required ownership threshold of 51 percent. Even with the incentives proposed in the NPRM and herein, designated entities may still need to seek the financial, technical, administrative, or manufacturing support of other parties to ensure the optimum possible service to the public. Companies that are nonetheless owned and controlled by designated entities should not be penalized for seeking such assistance. At the same time, existing companies should not be permitted to take advantage of preferential policies through the simple expedient of adding non-participating designated parties. Telocator believes that a threshold of 51 percent ownership will effectively encourage participation by designated entities without fostering abuse.

2. **Telocator supports the Rural Telephone Coalition's proposed definition of "rural telephone company" with appropriate qualification on total corporate size**

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For the purposes of this proceeding, rural telephone companies eligible for preferences as a "designated entity" should be defined as:

A local exchange telephone company that:

- (a) serves a geographic area that does not include either --
  - (1) any incorporated place of 10,000 or more, or any part thereof; or
  - (2) any territory, incorporated or unincorporated, included in an urbanized area (as defined by the Bureau of Census as of August 10, 1993); or
- (b) provides telephone exchange service by wire to less than 10,000 access lines.

provided that such qualifying rural telephone company, in combination with all parent companies and subsidiaries, provides telephone exchange service by wire to less than 150,000 access lines as of the date of the bid.

This proposal adopts, verbatim, the proposed definition offered by the Rural Telephone Coalition (RTC)<sup>9</sup> in its September 15, 1993, ex parte presentation in the PCS proceeding, with the additional qualification that eligible rural telephone companies not be a part of a larger entity which is fully capable of effectively competing for licenses without need for preference.

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<sup>9</sup> The Rural Telephone Coalition is comprised of the National Rural Telecom Association, the National Telephone Cooperative Association and the Organization for the Protection and Advancement of Small Telephone Companies.



This definition (as qualified by Telocator's proposal) ensures that truly small, rural telephone companies which might otherwise be unable to effectively compete for spectrum opportunities are afforded significant bidding preferences.

In addition, a rural telephone company should only be treated as a designated entity when bidding for a license within that local exchange carrier's franchised service area. When auctioning a license to operate a PCS system in one area, there is no valid public policy reason for extending a bidding preference to a rural telephone company (beyond any to which they might be entitled as a small, minority-owned or woman-owned business) on the basis that they happen to operate a rural telephone company in some other location.

As discussed above, Telocator remains opposed to spectrum set-asides on the basis that they are an ineffective and counter-productive tactic for ensuring that "designated entities" are given the opportunity to participate in the provision of spectrum-based services. In the context of preferences for rural telephone companies it has been argued that, in certain rural areas, the population would go unserved if the local, rural telephone company did not step in to provide the new service. Where this is the case, no set-aside or other preferential treatment is needed: mutually exclusive applications would not exist and the rural telephone company may obtain the PCS license without making any payment in the auction. In point of fact, a set-aside (which makes only designated entities eligible for

certain licenses) could have the affect of denying service to parts of rural America. In the event that there is no qualifying "designated entity" with the means to build and operate a PCS service in a particular rural area, the set-aside policy would preclude a non-qualifying entity that does have the means to promptly deliver services to rural communities from acquiring a license to do so.

If, rather, the purpose of the preference is to promote economic opportunity for rural telephone companies and give them advantages when competing for a license against other potential service providers in their franchised service area, more favorable payment terms (e.g., allowing installment payments, bidding credits, etc.) would advance these goals.

**E. Auction Pre-Processing Procedures and Policies  
Should Be Administratively Simple Yet Ensure the  
Participation of Serious Entrants**

The Commission has proposed to utilize a two-tier application processing procedure whereby applicants would initially file only a simple pre-auction "postcard" form. Once the auction is conducted, the winner would file a full application that would permit public comment and allow the FCC to ensure that only qualified applicants receive licenses. The FCC has also proposed significant deposits to avoid a deluge of postcard applications from filers that do not have a serious intent to participate in the auction process. As discussed below, Telocator concurs with the Commission's proposals, and

offers a number of suggestions on specific procedures that should be used.

The postcard filing suggested by the Commission will greatly facilitate bidding by interested parties by avoiding producing engineering and other information that will, in the overwhelming number of cases, never be used. Telocator suggests that it would be appropriate, for land mobile services, to utilize an FCC Form 401 without the associated engineering, accompanied by the \$230 fee, that identifies the name and address of the real party in interest, provides a contact representative, identifies the license at issue,<sup>10</sup> and contains any necessary self-certifications regarding eligibility as a designated entity and regulatory status. In the event that a party ultimately desires to offer private services, amendments can be filed later in the event of an auction win.

Moreover, Telocator agrees with the Commission that substantial entry deposits should be required to ensure that the auction process is not disrupted by applicants who do not have the financial qualifications to tender serious bids. Telocator also concurs with the Commission that 2 cents per POP per megahertz should be available from all bidders entering the auction for a particular market. Additional funds bringing the total deposit paid up to 20 percent of the final award amount should be tendered no later than 5 days following the auction.

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<sup>10</sup> In the case of narrowband PCS, where there are thousands of licenses available, single postcard entries may be appropriate for "classes" of licenses. See Section II B, infra.

All deposits for competitive bidding should be payable in cashier's checks and nonrefundable in the event that a licensee is unable to pay the full amount or is determined to be unqualified.<sup>11</sup>

Telocator believes that these simple procedures will form a sound basis for competitive bidding. These pre-auction procedures effectively guarantee participation by interested and qualified entities. At the same time, the procedures are administratively easy and do not require unnecessary expenditure of resources by applicants.

**F. The Commission is Correct in Proposing No  
Restriction on Post-Auction Transfer of  
Licenses**

Telocator concurs with the Commission's tentative proposal not to place any restriction on the assignment or transfer of a license by the auction winner to another entity qualified to hold the license. To reduce the possibility of entities participating in auctions for purely speculative purposes, no transfers should be permitted until after the winning bidder has demonstrated its qualification to hold the license and its ability to meet the financial terms of its winning bid (e.g., no transfer until after a construction permit has been issued). Moreover, all service or build-out obligations should transfer with the license and remain binding on the new licensee.

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<sup>11</sup> If a new auction is required because of such circumstances, all interested entrants should be offered a new opportunity to participate, regardless of whether a postcard application was originally filed or not.

Post-auction transferability of licenses among qualified entities will be critical to the prompt and successful deployment of PCS. Flaws in the distribution of spectrum through the formal, assignment process will certainly occur, and a timely correction of such deficiencies should be permitted. For example, if a licensee is able to acquire all but one particular market or frequency assignment critical to the execution of their business plan through the competitive bidding process, the Commission should not create barriers to the timely shifting of the spectrum to its most valuable use through after-market agreements. Similarly, licensees may require the ability to "swap" markets or bands in order to successfully implement their business plans.<sup>12</sup>

Specifically, there should be no "holding period" and no requirement to construct before transfer. Holding periods and construction requirements have proved ineffective in the past as anti-speculation mechanisms. Such restrictions create unproductive incentives. A licensee who can sell only after constructing, or constructing and operating for some period, will invest as little as possible in order to meet these requirements, resulting in inferior service or delay before the new licensee is permitted to take over and expand the system. Incentives are created for the intended buyer to engage in contractual

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<sup>12</sup> This will be the case, particularly, in order to make the aggregation of channels, as envisioned in the 900 MHz narrowband PCS Order, a feasible option.

relationships with the future seller in order to participate substantially in construction or operation.

For any number of reasons, an auction winner may determine that they are unable to use the assignment or build the business they had planned. Should they discover they are unable or no longer interested in holding the license and engaging in the provision of PCS to the public, they should be permitted to transfer the assignment to another party who does wish to make full use of that spectrum as soon as possible.

To the extent that auctions are successful in placing assignments in the hands of those parties who value the spectrum most, the secondary market for licenses will be small. However, if deficiencies in the assignment process occur, no public purpose is served by impeding any post-auction "trueing up" of assignments. As long as all build-out or coverage obligations included in the particular service's rules are met, and any monies from the auction are paid in a timely manner to the Federal government, there is no valid reason for the Commission to impede transfers made between qualified entities.

**II. THE COMMISSION SHOULD HAVE THE FLEXIBILITY TO TAILOR COMPETITIVE BIDDING PROCEDURES FOR SPECIFIC SERVICES**

The NPRM requests comment on the use of competitive bidding in a number of specific contexts, including new 2 GHz broadband PCS, 900 MHz narrowband PCS, and existing radio services. Telocator agrees with the Commission that any general scheme of bidding inflexibly applied will result in inequitable,

uneconomic, or otherwise undesirable results. Therefore, Telocator offers below its specific proposals for ensuring licensing in the public interest for new and existing services.

**A. Competitive Bidding for New 2 GHz Broadband Personal Communications Services**

As an initial matter, Telocator believes that the general procedures it has outlined above are well suited for 2 GHz PCS licensing. More specifically, Telocator believes the following policies and rules should be applied to 2 GHz broadband PCS licenses:

- Oral sequential bidding should be used to award licenses--without the use of combinatorial overlays;
- MTAs should be auctioned first, followed by BTAs;
- Designated entities should be permitted to utilize tax certificates, should be allowed the option to pay their winning bid in installments, and should be granted a credit in bidding for spectrum blocks C and D. Set-asides of spectrum for designated parties should not be utilized;
- Initial PCS applications to participate in auctions should be simple, such as an FCC Form 401 without the associated engineering, and winners' applications should be placed on public notice for 30 days to ensure the licensing of qualified entities;
- As stated above, an upfront deposit of 2 cents per POP per megahertz should be available from all bidders entering the 2 GHz PCS auction for a particular market and additional funds should be tendered within 5 days of the auction to bring the total deposit paid up to 20 percent of the final award amount.

In this manner, Telocator believes competitive bidding of 2 GHz PCS licenses can be accomplished simply, rapidly, and consistent with the public interest.

1. **Intermediate links should be exempt from competitive bidding**

In a related matter, the Commission has raised the question of whether certain intermediate links utilized for PCS should be subject to auctions. Telocator believes that any ancillary communications licenses obtained for PCS and other wireless networks should be exempt from competitive bidding processes. These links are not directly involved in transmission of subscribers' information for a fee, and PCS, cellular or paging customers, for example, will primarily be paying for mobility--radio usage that will be compensated for by competitive bidding. In effect, intermediate links to backhaul wireless network traffic are not functionally different than private radio licenses obtained for internal use that are exempt from bidding procedures. Furthermore, it is difficult to see how auctions could be applied to such licenses when, due to prior frequency coordination, mutual exclusivity rarely occurs in this context today and the Commission is obligated to preserve this state of affairs.<sup>13</sup>

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<sup>13</sup> Congress expressly directed the Commission to "avoid mutual exclusivity in application and licensing proceedings." See Budget Act §6002(a)(6)(E), 107 Stat. at 390; see also H.R. Rep. No. 213, 103d Cong., 1st Sess. 481 (1993), reprinted in 1993 U.S.C.C.A.N. 1088, 1170.



**B. Competitive Bidding for 900 MHz Narrowband  
Personal Communications Services**

The narrowband PCS allocation structure is considerably different than the market structure adopted for 2 GHz broadband services. If the same procedures were utilized to award licenses for narrowband services as suggested for broadband services, unnecessary delays and complexity would result. At the same time, the precise factors that render generalized competitive bidding procedures inadvisable--the great number of licenses available in the 900 MHz PCS frequency blocks--also help to ensure that any administrative "short cuts" in the auction process will not diminish competition or service to the public.

Of the 8156 licenses available to auction participants in PCS, almost 70 percent are narrowband authorizations, despite that the narrowband PCS allocation is only 1/60th the size of the licensed 2 GHz allocation. Under the circumstances, the sheer volume of licenses threatens the integrity of the FCC's auction procedures by creating undue complexity and possibly uneconomic results. At the same time, however, unlike the case for 2 GHz PCS, licenses of the same size at 900 MHz are generally fungible because no incumbent licensees exist who must be relocated. Accordingly, simultaneous bidding for similarly-sized licenses should be utilized for narrowband PCS. Such a procedure would ensure that generally uniform prices are paid by all future competitors in various sized spectrum blocks.